

For the last one years, they are selling at this rate. As far as the losses are concerned, in 1988-89, the loss was to the tune of Rs. 18.88 crores; in 1989-90 it was Rs. 16.51 crores; in 1991-92 it was Rs. 15.38 crores and this year, up to October it has been estimated tentatively that the loss would be of the order of Rs. 23 crores.

MR. SPEAKER: Now, we take up Question 307. Question 306 has been postponed.

AN HON. MEMBER: Why?

MR. SPEAKER: There are many rules. If you do not know the rules, you find out the rules. If the Member wants, it is postponed.

Modernisation of Hindustan Copper Ltd.

***307. SHRIMATI VASUNDHARA RAJE:** Will the Minister of MINES be pleased to state:

(a) whether the Union Government propose to give additional financial powers to the Hindustan Copper Ltd;

(b) if so, the details thereof;

(c) whether HCL is now in a position to expand its capacity; and

(d) if so, the details of the expansion and modernisation schemes of HCL during the Eighth Plan?

THE MINISTER OF STATE IN THE MINISTRY OF MINES (SHRI BALRAM SINGH YADAV): (a) to (d). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). The Government have delegated enhanced powers to the Board of Directors of Public Enterprises signing Memorandum of Understanding with the Govt. and having gross block of over Rs. 200 crores, to sanction capital expenditure,

provided funds can be found from the internal resources of the Company and the expenditure is incurred either on items included in the capital budget approved by the Govt. or if outlays are provided in the Annual Plan. HCL having fulfilled these requirements has become eligible to exercise the enhanced financial powers to incur expenditure on additions, modifications and new investments from the existing limit of Rs. 20 crores to Rs. 50 crores and on replacement and renewal of assets from the existing limit of Rs. 50 crores to Rs. 100 crores.

(c) and (d). Yes, Sir. HCL has identified a number of schemes for expanding its capacity to be partially financed through its own resources and partially through budgetary support. The important schemes for expansion and modernisation proposed by HCL during the VIIIth Plan subject to the availability of funds, are:-

I. Western Sector (Rajasthan)

i. Khetri smelter and refinery expansion from 31,000 to 45,000 tonnes per year.

ii. Kolihan mine expansion from 0.6 to 0.75 million tonnes of ore per year.

iii. Development of Banwas mine of 0.6 million tonnes of ore per year.

iv. Modernisation of the Khetri concentrator.

II. Central Sector (Madhya Pradesh)

Expansion of Malanjkhand mine from 2 to 3 million tonnes of ore per year.

III. Eastern Sector (Bihar)

i. Development of Chapri-Sideshwari mine of 0.75 million tonnes capacity with a

matching concentrator.

- ii. Expansion and modernisation of existing ICC Group of Mines in Singhbhum Belt.

SHRIMATI VASUNDHARA RAJE: Sir, the Government is going ahead with the modernisation plan and a large outlay of money is going to be given to this Company for the modernisation. I am questioning the Government whether this Company is worthy of that modernisation plan?

A review was sought by the C&AG on HCL's account wherein the profit of the year 1988-89 was shown as Rs. 83 crores. The C&AG made them bring it down to a realistic Rs. 46 crores. Has the Company, therefore, really made a profit in this year? If it has made it, why is it that the auditors in their Annual Report of 1989-90 made many serious comments and queries particularly on toll-smelting on physical verification? No physical verification as such was done regarding the fixed assets. In 1987-88, the assets were Rs. 38,000 lakhs. In 1989-90, it went up to Rs. 42,000 lakhs. They asked why physical verification of raw-materials was not carried out and why it was verified only departmentally, that too on eye estimation basis. Stocks went up from Rs. 66 crores to Rs. 2000 crores in 3 yrs. It is as good as saying that the microphone is worth Rs. 10/- in my eyes and it is worth Rs. 100/- in the eyes of the hon. Minister. Why have the auditors said that only a negligible portion of stores/spares was covered under the inventory system?

MR. SPEAKER: Auditors' report is adverse.

(*Interruptions*)

SHRIMATI VASUNDHARA RAJE: These are the questions which are to be asked of H.C.L... (*Interruptions*) If all these things did not take place. Why is it that the Company agreed to all this an addendum accounts, that these allegations were right and something has to be done.

Can we really go ahead and allow HCL to go in with the kind of Modernisation plan, when there has been so much leakage in the workings of the Company? (*Interruptions*)

MR. SPEAKER: Your question is too long and the Minister may not be able to answer it.

SHRIMATI VASUNDHARA RAJE: Sir, I would like to know, what kind of stringent measures are going to be taken by the Government to put a stop to this. I would like to know whether inquiries are going to be made and if so, how soon they are going to be made. The irregularities are so blatant and so great, I think that there is no room for any second supplementary.

[*Translation*]

SHRI BALRAM SINGH YADAV: Sir, I do not know whether the hon. Member has raised a question or delivered a speech. I am completely at a loss for an answer. Broadly, I can say that ...

[*English*]

SHRIMATI VASUNDHARA RAJE: Sir, I have asked him as to how he could go ahead with this modernisation programme, when the company has padded up its accounts, from 1980, the PUC reports conform this. When the company is leaking like a sieve, how can they be allowed then to go ahead with the modernisation programme?

[*Translation*]

SHRI BALRAM SINGH YADAV: Sir, the company's production capacity is being utilised to the maximum and it is earning good profit. It has been earning profit for the last 5 years. Therefore, there should be no doubt that modernisation and expansion of the company cannot be undertaken.

SHRIMATI GEETA MUKHERJEE: Sir, is it not a fact that the Public Accounts Committee, in 1981, made remarks stating

clearly that there is a big racket going on with its rivers? And the Public Accounts Committee in its report, at recommendation No.17, clearly stated that there shall be a CBI inquiry and it was taken up. May I know, why was it given upper on later on by the Government and for what interest?

[Translation]

SHRI BALRAM SINGH YADAV: Sir, as far as this question is concerned I do not have any knowledge. This question is about modernisation. However, I will look into it and inform the Member.

[English]

SHRIMATI GEETA MUKHERJEE: Sir, this is a very serious question.

[Translation]

SHRIMATI VASUNDHRA RAJE: Mr. Speaker, Sir, there must be Half-an-Hour discussion on it. (Interruptions)

SHRI AYUB KHAN: Mr. Speaker, Sir, first of all I would like to express my thanks to the hon. Member Vasundhraj for raising the question which is related to my constituency. A huge amount of Rs. 260 crores is proposed to be spent on the modernisation of this company. At the same time I would like to point out that due to the pollution caused by it wells of farmers have dried up, cultivation has been affected and 50 percent workers of that company have become T.B. patients. So, what measures are proposed to be taken by the Government to check this pollution?

SHRI BALRAM SINGH YADAV: The amount earmarked for the modernisation and expansion scheme is Rs. 1350 crore not Rs. 260 crores. Rs. 95 crores has been allocated in the 8th Five Year Plan for the Hindustan Copper Ltd. to check the pollution.

SHRI ANNA JOSHI: Mr. Speaker, Sir, I would like to know whether the project report and Geological Survey report were obtained prior to setting up the Khetri Factory

and whether inquiries regarding the capability of the companies which were given contract for the toll-smelting, refining etc. were made? I have raised this question because the Mark-Ritch Company, which was given the toll smelting has now been black-listed and the fresh contract has been given to Trans-Mines Company recently started in U.K. by Shri V.P. Singh who was once the Adjoining Secretary of the farmer company. (Interruptions)

I want to know whether Geological Survey was conducted and project report was obtained or not and whether the ability of the contracted company has been ascertained or not; if so, then why was it black-listed?

SHRI BALRAM SINGH YADAV: Mr. Speaker, Sir, the hon. Member's question is not related to the original question. However on the basis of the information given by the member I would try to ascertain the position and inform him.

WRITTEN ANSWERS TO QUESTIONS

[English]

**Regional Office of ONGC at
Vijayawada**

*308 **SHRI K.P. REDDAIAH YADAV:** Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government propose to establish a regional office of the Oil and Natural Gas Commission at Vijayawada in view of the discovery of abundant gas and oil in Krishna district and in the Godavari basin;

(b) if so, the time by which it is likely to be established; and

(c) if not, the reasons therefor?